[*English Translation*]

TOKIO MARINE HOLDINGS, INC.

Attachment to the "Notice of Convocation of the 10th Ordinary General Meeting of Shareholders"

Business Report for the Fiscal Year Ended March 31, 2012

(From April 1, 2011 to March 31, 2012)

1. Matters Concerning the Insurance Holding Company

(1) Business Developments and Results for Tokio Marine Group

During the fiscal year ended March 31, 2012, higher capital and consumer spending and other positive factors contributed to a gradual recovery in the U.S. economy, whereas European economies weakened owing to sovereign debt problems, the most prominent being those of Greece. In developing nations economic growth slowed as a result of tighter monetary policies and other factors.

In Japan, the economy gradually improved despite the presence of negative factors such as the effects of the Great East Japan Earthquake, supply-chain disruptions resulting from the earthquake and the strength of the yen against other currencies. In the property and casualty insurance sector, even enough domestic sales of new cars gradually increased, the challenging business environment persisted owing to auto insurance loss ratios, which were at high levels, and large-scale natural disasters in and outside Japan. In the life insurance sector, Japan's demographics – a declining birthrate and an aging population – and other factors led to a continued decline in the amount of life insurance-in-force.

Against this backdrop, and in the final year of its "Innovation and Execution 2011" medium-term corporate strategy, Tokio Marine Group (the "Group") is working to achieve sustainable earnings growth based on quality improvements in our products, services and business processes. During the fiscal year ended March 31, 2012, the Group strove to improve its growth potential and the profitability of its domestic property and casualty insurance business, and to expand its domestic life insurance business and overseas insurance business. In order to further develop a management and administration system that maximizes the Group's global competitiveness, the Group advanced initiatives aimed at enhancing its risk-based management (or "ERM", Enterprise Risk Management) to better balance its levels of capital and risk and to improve capital efficiency while maintaining a sound financial base.

The Group assigned approximately 10,000 employees, working together with our agents, to the task of making timely and appropriate claim payments to help restore as quickly as possible the livelihoods of customers and business operations affected by the Great East Japan Earthquake. Through the end of March 2012, we processed more than 200,000 claims. We continue to receive claims related to the disaster and are committed to fulfilling our social responsibilities as an insurance group by properly paying every last such claim.

An increase in the Group's ordinary income due to improved sales of insurance was mitigated by the effects of Typhoons Nos. 12 and 15, floods in Thailand and other large-scale natural disasters, as well as by a reduction in the corporate income tax rate which resulted in a 64.5-billion-yen reversal of deferred tax assets. As a result, Tokio Marine Holdings reported consolidated business results as described below.

(Yen in billions, except for %)

	Year ended March 31, 2011	Year ended March 31, 2012	Difference (%)
Ordinary income	3,288.6	3,415.9	103.9
Underwriting income	2,874.0	2,978.1	103.6
Investment income	347.7	372.9	107.2
Ordinary profit	126.5	160.3	126.7
Net income	71.9	6.0	8.3

Ordinary income and ordinary profit for each business segment are as follows:

(Yen in billions)

Business segment	Ordinary income		Ordinary profit	
	Year ended March 31, 2011	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2012
Domestic property and casualty insurance	2,425.7	2,663.3	104.5	205.7
Domestic life insurance	442.2	430.2	7.1	7.5
Overseas insurance	539.9	530.2	14.4	-54.6
Financial and other	70.8	69.1	2.0	1.7

Domestic Property and Casualty Insurance Business

The following is a discussion of Tokio Marine and Nichido Fire Insurance Co., Ltd.'s ("Tokio Marine & Nichido") operating results for the fiscal year ended March 31, 2012. Net premiums written were 1,783.0 billion yen, a year-on-year increase of 2.3 percent. Despite the occurrence of floods in Thailand, typhoons and other natural disasters in the fiscal year ended March 31, 2012, ordinary profit increased 66.3 billion yen as compared to the previous fiscal year to 212.1 billion yen because of the reversal of the catastrophe reserves and other factors. Net income was 23.2 billion yen, a decrease of 77.5 billion yen as compared to the previous fiscal year, due to the reversal of deferred tax assets associated with the lowering of the corporate income tax rate.

Tokio Marine & Nichido has been promoting sales of its all-in-one life and property and casualty product, Super Insurance, which offers a total coverage package appropriate to a customer's life plans, family composition and other factors. In March 2012, the number of policyholder households of Super Insurance surpassed 1.3 million.

In October 2011, Tokio Marine & Nichido launched the industry's first One-day Auto Insurance, which can be purchased at any time via mobile phone. This new type of auto insurance can be purchased for 500 or 1,000 yen per day for just the number of days needed. With this new product, Tokio Marine & Nichido aims to help reduce the number of accidents involving uninsured drivers, in particular by increasing the percentage of insured young drivers, which should help auto accident victims obtain better care.

Tokio Marine & Nichido also started sales of Lump-sum Payment Rider For Auto Insurance in Case of Total Vehicle Loss From an Earthquake, Volcano or Tsunami, which was developed based on experience gained in relation to the Great East Japan Earthquake. The rider is intended to provide a set amount towards the purchase of a replacement vehicle in the event of a total vehicle loss due to an earthquake, volcano or tsunami.

To strengthen its sales base, Tokio Marine & Nichido entered into an agency service agreement with Meiji Yasuda Life Insurance Company ("Meiji Yasuda") and since January 2012 its auto insurance and other policies have been sold through Meiji Yasuda.

In relation to asset management, Tokio Marine & Nichido aimed to ensure stable earnings and asset liquidity as part of its efforts to maintain a sound financial base through risk management.

With respect to the operating results of Nisshin Fire & Marine Insurance Co., Ltd. ("Nisshin Fire") for the fiscal year ended March 31, 2012, net premiums written were 136.6 billion yen, representing an increase of 1.9 percent from the previous fiscal year. Ordinary profit was 4.2 billion yen, an increase of 1.6 billion yen as compared to the previous fiscal year, and net loss was 4.7 billion yen, a decrease of 6.2 billion yen from the previous fiscal year's net profit.

Domestic Life Insurance Business

As of March 31, 2012, Tokio Marine & Nichido Life Insurance Co., Ltd. ("Tokio Marine & Nichido Life") had 419.4 billion yen in annualized premiums of life insurance-in-force, a year-on-year increase of 5.7 percent, while the annualized premiums of newly signed life insurance were 57.3 billion yen, a year-on-year increase of 12.9 percent. We achieved these increases by strengthening the integration of life and non-life insurance through sales of Super Insurance, new product launches and other efforts. Ordinary profit was 26.9 billion yen, an increase of 7.5 billion yen, and net income was 6.8 billion yen, an increase of 1.5 billion yen, each compared to the previous fiscal year.

In August 2011, Tokio Marine & Nichido Life launched Medical Kit, a medical insurance product to cover inability-to-work risks, which recorded strong sales. Tokio Marine & Nichido Life also started selling Medical Kit Love, a medical insurance product with underwriting standards designed for customers with recurring medical problems as demonstrated by a history of hospitalization and chronic diseases.

Tokio Marine & Nichido Financial Life Insurance Co., Ltd. ("Tokio Marine & Nichido Financial Life") specialized in the sales of variable annuities insurance, however, after careful review of the business environment, in March 2012 it announced a suspension of new sales of all insurance products. As of March 31, 2012, Tokio Marine & Nichido Financial Life had 2,706.7 billion yen in life insurance-in-force and 13.1 billion yen in newly signed life insurance. Ordinary loss was 14.9 billion yen, and net loss was 15.1 billion yen.

Overseas Insurance Business

The Group actively developed its international insurance business with the aim of global growth and risk diversification.

Even though the overall U.S. property and casualty insurance market was characterized by slow growth, PHLY, a U.S. property and casualty insurance group, was able to maintain a strong performance by focusing on specific industry sectors and customer segments. As a result, PHLY's amount of net premiums written was 2.0 billion U.S. dollars (158.1 billion yen), a 3.1 percent increase compared to the previous fiscal year. Kiln, a U.K. insurance group, increased its underwriting amid an upward trend in premium rates for natural catastrophe-related insurance, owing to a greater occurrence of natural disasters. As a result, Kiln's net premiums written during the fiscal year 2011 were 460 million British pounds (55.3 billion yen), an increase of 5.5 percent compared to the previous fiscal year. Tokio Millennium Re Limited, a reinsurance company, recorded a 28.6 percent year-on-year increase in net premiums written to 530 million U.S. dollars (41.8 billion yen) for the fiscal year 2011. Nevertheless, the Company's overseas insurance business as a whole recorded a loss due to multiple, severe natural disasters, such as floods in Australia and Thailand and tornados in the United States.

In order to achieve further business growth in the United States, the largest insurance market in the world, the Company in June 2011 established Tokio Marine North America, Inc., as a holding company for the Group's U.S. operations. The Company also made First Insurance Company of Hawaii, Ltd. ("FICOH"), the oldest property and casualty insurance company in Hawaii, a wholly owned subsidiary in November 2011. In addition, the Company entered into a definitive agreement with Delphi under which the Company acquired all outstanding shares of Delphi, a promising and profitable financial services holding company comprised of specialty life and property and casualty insurance businesses. We believe that Delphi has a competitive edge in employee benefit-related insurance and limits its underwriting of natural disaster risks, and so the acquisition should contribute to the Group's risk diversification.

In emerging markets, Edelweiss Tokio Life Insurance Company Limited, a joint venture established in India by the Group and a leading financial services company in India, commenced operations in July 2011. The Tokio Marine and Nichido Fire Insurance Company (China) Limited aims to expand business in China and opened the Jiangsu Branch in August 2011, and is preparing to open its fourth branch in mainland China, in Beijing.

Financial and Other Business

The Group developed its financial services business, with a focus on fee-based asset management business offering a stable base of revenue. Fee-based business includes management of public and corporate pension funds and the establishment and management of investment trusts by Tokio Marine Asset Management Co., Ltd. As to its general business, the Group continued to engage in temporary staffing services, property management services and other business.

CSR

Tokio Marine & Nichido achieved Carbon Neutral status by promoting a Green Gift project whereby Tokio Marine & Nichido contributes funds for mangrove-planting activities by NGOs based on the number of policies for which customers choose to receive the terms and conditions on the Company's website. Tokio Marine & Nichido also supports the restoration of coastal forests in the Tohoku Region, which were severely damaged by the tsunami caused by the Great East Japan Earthquake. Thanks to its global environment protection initiatives, the Company in March 2012 was recognized by a U.S. business ethics think-tank as one of "2012 World's Most Ethical Companies".

Issues Facing the Group

In the fiscal year ending March 31, 2013, we expect the U.S. economy to gradually improve but European economies to further decline due to persisting sovereign debt problems. We expect continued growth by some emerging countries, albeit at a slower pace.

The Japanese economy is likely to continue to recover due to the boost in reconstruction projects following the Great East Japan Earthquake, and we expect monetary easing to have some effect. For the domestic insurance market, improved sales of new cars and other factors are expected to contribute to market expansion, however, market prospects remains uncertain owing to the effects of the declining birthrate and aging population, as well as population decline.

In this challenging environment, Tokio Marine Group will focus on the issues described below.

In the fiscal year 2012, Tokio Marine Group launched Innovation and Execution 2014, a new medium-term business strategy with the vision of becoming a "global insurance group maintaining growth by offering quality that customers select".

Through this business strategy, we will pursue industry-leading growth while striving to improve the profitability of our mainstay domestic property and casualty insurance business. In the domestic life insurance business, we will target sustainable growth by introducing new products, advancing our integration of life and non-life insurance and other efforts. In the overseas insurance business, the Group will work for a successful management integration with Delphi, while expanding the scale and earnings of its subsidiaries and affiliates in developed and emerging countries.

The Group aims to further enhance its risk-based management (through an ERM system) by strengthening risk management related to natural disasters, continued sale of equities held for business-relationship-related reasons, investing in high-margin businesses and other measures. Through these efforts, we intend to maintain the Group's strength of financial soundness, while enhancing our efforts for sustained profit growth and improved capital efficiency.

The Group intends to improve shareholder returns by distributing steadily growing dividends and other measures and will seek to increase dividends by improving profitability.

Under our management philosophy to place "customer trust at the base of all its activities," the entire Tokio Marine Group will endeavor to achieve further growth as a corporate group, seeking growth characterized by high profitability, sustainability and soundness. The management would like to express its sincere appreciation to all shareholders of Tokio Marine Holdings for their continued guidance and support.

Note 1: Throughout this Business Report, all amounts (including numbers of shares) are truncated and all ratios are rounded to one decimal place.

Note 2: Numbers that appear as ordinary income and ordinary profit for each business segment are before adjustments made to record ordinary income and ordinary profit in the consolidated statement of income.

Note 3: "Annualized premiums" is calculated by dividing the total amount of premiums received throughout the policy period by the policy period, resulting in an amount of premiums per year.

Note 4: "PHLY" means the corporate group comprised of Philadelphia Consolidated Holding Corporation and its subsidiaries. "Kiln" means the corporate group comprised of Kiln Group Limited and its subsidiaries. In addition, "Delphi" means the corporate group comprised of Delphi Financial Group Inc. and its subsidiaries.

Note 5: The yen-denominated amounts of net premiums written of PHLY, Kiln, and Tokio Millennium Re Limited are calculated at exchange rates in effect as of the end of December 2011.

Note 6: "Carbon Neutral" is when the carbon dioxide absorbed or reduced by the planting of mangroves and our other initiatives is calculated to be equal to the amount of the carbon dioxide discharged through our business operations.

(2) Four Year Summary of Assets and Earnings of the Group and the Insurance Holding Company

a. The Group's summary of assets and earnings

(Yen in millions)
(Fiscal years ended March 31)

	2009	2010	2011	2012
Ordinary income	3,503,102	3,570,803	3,288,605	3,415,984
Ordinary profit	-15,128	203,413	126,587	160,324
Net income	23,141	128,418	71,924	6,001
Comprehensive income	-	-	-196,554	-10,558
Net assets	1,639,514	2,184,795	1,904,477	1,857,465
Total assets	15,247,223	17,265,868	16,528,644	16,338,460

Note: As of the fiscal year ended March 31, 2011, the Company calculates comprehensive income pursuant to “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010).

b. The Insurance Holding Company's summary of assets and earnings

(Yen in millions, except per share amounts)
(Fiscal years ended March 31)

	2009	2010	2011	2012
Operating income	136,570	32,324	127,806	83,955
Dividends received	130,053	25,617	120,892	77,872
Insurance subsidiaries	129,134	25,082	120,156	76,017
Other subsidiaries	919	535	735	1,854
Net income	117,197	44	80,226	62,110
Net income per share of common share	147.53 yen	0.05 yen	103.16 yen	80.98 yen
Total assets	2,530,333	2,492,379	2,482,926	2,506,933
Share of insurance subsidiaries	2,427,769	2,416,206	2,380,355	2,412,091
Share of other subsidiaries	68,246	61,436	62,457	71,558

(3) The Group's Principal Offices (As of March 31, 2012)

a. The Company

	Location	Established as of
Head Office	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	April 2, 2002

Note: The date shown above is the date of incorporation.

b. Subsidiaries and affiliates

Business segment	Company name	Office name		Location	Established as of
Domestic property and casualty insurance	Tokio Marine & Nichido	Head Office		2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	March 20, 1944
		Hokkaido	Hokkaido Branch and 6 other branches		
		Tohoku	Sendai Branch and 9 other branches		
		Kanto	Tokyo Central Branch and 32 other branches		
		Tokai and Hokuriku	Aichi South Branch and 24 other branches		

		Kansai	Osaka South Branch and 24 other branches		
		Chugoku and Shikoku	Hiroshima Branch and 14 other branches		
		Kyushu	Fukuoka Central Branch and 13 other branches		
	Nisshin Fire	Head Office (Tokyo Head Office), Saitama Head Office		3, Kandasurugadai 2-chome, Chiyoda-ku, Tokyo	June 10, 1908
Domestic life insurance	Tokio Marine & Nichido Life	Head Office		3-16, Ginza 5-chome, Chuo-ku, Tokyo	August 6, 1996
	Tokio Marine & Nichido Financial Life	Head Office		1-1, Osaki 2-chome, Shinagawa-ku, Tokyo	August 13, 1996
Overseas insurance	Philadelphia Consolidated Holding Corp.	Head Office		Bala Cynwyd, Pennsylvania, U.S.A.	July 6, 1981
	Kiln Group Limited	Head Office		London, U.K.	July 11, 1994
Financial and other	Tokio Marine Financial Solutions Ltd.	Head Office		George Town, Cayman Islands	December 4, 1997

Notes 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.

2. "Office name" is the name of the principal office.

3. "Location" is the location of the head office.

4. The dates shown above are the date of incorporation.

(4) The Group's Employees

Business segment	As of March 31, 2011	As of March 31, 2012	Increase (decrease)
Domestic property and casualty insurance	19,900	20,381	481
Domestic life insurance	2,409	2,358	(51)
Overseas insurance	5,902	6,573	671
Financial and other	1,547	1,519	(28)
Total	29,758	30,831	1,073

(5) The Group's Principal Lenders (As of March 31, 2012)

Business segment	Company name	Lender	Balance of loan
Domestic property and casualty insurance	Tokio Marine & Nichido	Syndicated loan	170,000 million yen

Note: The arranger of the syndicated loan is The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(6) The Group's Financing Activities

In order to partially refinance loans in its property and casualty insurance business, Tokio Marine & Nichido raised 70,000 million yen through a syndicated loan arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd. In addition, in order to finance the acquisition of Delphi, Tokio Marine & Nichido raised 100,000 million yen through a syndicated loan arranged by The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(7) The Group's Capital Investment Activities

a. Total investment in facilities

Business segment	Amount
Domestic property and casualty insurance	9,494 million yen
Domestic life insurance	394 million yen
Overseas insurance	2,165 million yen
Financial and other	8,427 million yen
Total	20,481 million yen

Notes 1. "Amount" is the aggregate amount of investment in facilities for the year ended March 31, 2012.

2. Yen amounts include certain capital expenditures in other currencies which were converted into yen based on exchange rates as of the closing date of the fiscal year of the Company.

b. New construction of major facilities and other
None.

(8) Parent Company and Major Subsidiaries (As of March 31, 2012)

a. Parent company
None.

b. Major subsidiaries and affiliates accounted for by the equity method

Company name	Location	Major business	Date of incorporation	Paid-in capital (Yen in millions)	Ratio of Tokio Marine Holdings' voting rights	Notes
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Mar. 20, 1944	101,994	100.0%	-
Nisshin Fire & Marine Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	June 10, 1908	20,389	100.0%	-

Tokio Marine & Nichido Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 6, 1996	55,000	100.0%	-
Tokio Marine & Nichido Financial Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 13, 1996	68,000	100.0%	-
Tokio Marine Millea SAST Insurance Co., Ltd.	Kanagawa, Japan	Small-amount short-term insurance	Sept. 1, 2003	1,595	100.0%	-
Tokio Marine North America, Inc.	Wilmington, Delaware, U.S.A.	Holding company	June 29, 2011	0	100.0% (100.0)	-
Philadelphia Consolidated Holding Corp.	Bala Cynwyd, Pennsylvania, U.S.A.	Holding company	July 6, 1981	0	100.0% (100.0)	-
Philadelphia Indemnity Insurance Company	Bala Cynwyd, Pennsylvania, U.S.A.	Property and casualty insurance	Feb. 4, 1927	295	100.0% (100.0)	-
First Insurance Company of Hawaii, Ltd.	Honolulu, Hawaii, U.S.A.	Property and casualty insurance	Aug. 6, 1982	351	100.0% (100.0)	-
Kiln Group Limited	London, U.K.	Holding company	July 11, 1994	131	100.0% (100.0)	-
Kiln Underwriting Limited	London, U.K.	Property and casualty insurance	June 13, 1994	0	100.0% (100.0)	-
Tokio Millennium Re (UK) Limited	London, U.K.	Property and casualty insurance	Oct. 30, 1990	16,417	100.0% (100.0)	-
Tokio Marine Underwriting Limited	London, U.K.	Property and casualty insurance	Oct. 27, 2008	0	100.0% (100.0)	-
Tokio Marine Bluebell Re Limited	Douglas, Isle of Man	Life insurance	Mar. 8, 2007	14,000	100.0%	-
Tokio Marine Asia Pte. Ltd.	Singapore, Singapore	Holding company	Mar. 12, 1992	38,166	100.0%	-
Asia General Holdings Limited	Singapore, Singapore	Holding company	Feb. 24, 1971	4,902	92.4% (92.4)	-

Tokio Marine Insurance Singapore Ltd.	Singapore, Singapore	Property and casualty insurance	July 11, 1923	6,537	100.0% (100.0)	-
Tokio Marine Life Insurance Singapore Ltd.	Singapore, Singapore	Life insurance	May 21, 1948	2,353	85.7% (85.7)	-
Tokio Marine Life Insurance Malaysia Bhd.	Kuala Lumpur, Malaysia	Life insurance	Feb. 11, 1998	2,681	100.0% (100.0)	-
Edelweiss Tokio Life Insurance Company Limited	Mumbai, India	Life insurance	Nov. 25, 2009	2,423	26.0% (26.0)	-
Tokio Marine Seguradora S.A.	Sao Paulo, Brazil	Property and casualty insurance	June 23, 1937	12,253	100.0%	-
Tokio Millennium Re Ltd.	Hamilton, Bermuda	Property and casualty insurance	Mar. 15, 2000	20,547	100.0% (100.0)	-
Tokio Marine Financial Solutions Ltd.	George Town, Cayman Islands	Derivatives business	Dec. 4, 1997	1,767	100.0% (100.0)	-

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.

2. Tokio Marine North America, Inc. is included in the table due to an increase in importance.

3. Edelweiss Tokio Life Insurance Company Limited is included in the table due to an increase in importance.

4. The yen amounts of paid-in capital of subsidiaries and affiliates located outside Japan have been translated at the currency exchange rate as of the closing date of the fiscal year of the Company.

5. Figures in brackets shown under Tokio Marine Holdings's voting rights reflect Tokio Marine Holdings's indirectly held ownership ratio in the respective subsidiary.

(9) The Group's acquisition and transfer of business

Date of the transactions	Outline of transaction
November 29, 2011	On November 29, 2011, Tokio Marine & Nichido, a property and casualty insurance company, acquired 50% of the outstanding shares of FICOH owned by a major U.S. insurance group. The acquisition price was 165 million U.S. dollars (approximately 12.7 billion yen). Tokio Marine & Nichido had owned 50% of FICOH's outstanding shares prior to the acquisition and made FICOH its wholly owned subsidiary as a result of the acquisition. Details of the company acquired and the purpose of the acquisition are as follows. - Company acquired Company name: First Insurance Company of Hawaii, Ltd.

Head office: Honolulu, Hawaii, U.S.A.
Business lines: Property and casualty insurance business

- Purpose of the acquisition
  The Company seeks to increase the scale of its insurance business and earnings in the largest insurance market in the world, the United States.

(10) Other Important Matters Concerning the Current State of the Group

None.

2. Matters Concerning Directors and Corporate Auditors

(1) Directors and corporate auditors (As of March 31, 2012)

Name	Position and assigned duties	Other major occupations and other matters
Kunio Ishihara	Director and Chairman of the Board	Chairman of the Board of Tokio Marine & Nichido Director of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (outside director) Director of Daiichi Sankyo Company, Limited (outside director) Vice Chairman of Japan Association of Corporate Executives
Shuzo Sumi	Representative Director and President	Representative Director and President of Tokio Marine & Nichido Chairman of the General Insurance Association of Japan
Hiroshi Amemiya	Representative Director and Executive Vice President In charge of Domestic Business Development Dept., Corporate Planning Dept. and Legal Dept.	
Takaaki Tamai	Representative Director and Senior Managing Director In charge of Corporate Accounting Dept., Personnel Planning Dept., Internal Control Dept., Risk Management Dept. and Internal Audit Dept.	Senior Managing Director of Tokio Marine & Nichido
Tsuyoshi Nagano	Representative Director and Senior Managing Director Overall supervision of overseas insurance	Senior Managing Director of Tokio Marine & Nichido

	business; in charge of International Business Development Dept. (management of North America, Latin America, European and Middle Eastern regions and reinsurance operations)	
Masashi Oba	Managing Director In charge of Financial Planning Dept.	Managing Director of Tokio Marine & Nichido
Hiroshi Miyajima	Director	Representative Director and President of Nisshin Fire
Kunio Ito	Director (outside director)	Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Sharp Corporation (outside director) Director of Mitsubishi Corporation (outside director) Director of Akebono Brake Industry Co., Ltd. (outside director)
Akio Mimura	Director (outside director)	Representative Director and Chairman of Nippon Steel Corporation Director of Development Bank of Japan Inc. (outside director) Director of the Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director)
Toshifumi Kitazawa	Director	Representative Director and President of Tokio Marine & Nichido Life
Mikio Sasaki	Director (outside director)	Senior Corporate Advisor of Mitsubishi Corporation Director of Mitsubishi Motors Corporation (outside director) Director of Mitsubishi Electric Corporation (outside director) Director of Mitsubishi Research Institute, Inc. (outside director)
Toshiro Yagi	Standing Corporate Auditor	
Toshiki Ohashi	Standing Corporate Auditor	Mr. Ohashi, as a director of Tokio Marine & Nichido Life, was in charge of accounting department and has expertise in finance and accounting.
Hiroshi Fukuda	Corporate Auditor (outside corporate auditor)	Attorney-at-law
Yuko Kawamoto	Corporate Auditor (outside corporate auditor)	Professor, Waseda Graduate School of Finance, Accounting and Law Director of ITOCHU Corporation (outside director) Director of Yamaha Motor Co., Ltd. (outside

		director) Director of Monex Group, Inc. (outside director) Director of Osaka Securities Exchange Co., Ltd. (outside director)
Akinari Horii	Corporate Auditor (outside corporate auditor)	Director and Special Advisor of The Canon Institute for Global Studies
Tetsuo Kamioka	Standing Corporate Auditor	Resigned effective as of June 27, 2011

Notes: 1. Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Mr. Kunio Ishihara retired from his position as Vice Chairman of Japan Association of Corporate Executives effective as of April 26, 2012.

3. Dr. Kunio Ito, Mr. Akio Mimura, Mr. Mikio Sasaki, Mr. Hiroshi Fukuda, Ms. Yuko Kawamoto and Mr. Akinari Horii are "independent directors/auditors" as specified by the Tokyo Stock Exchange, Inc. and other stock exchanges in Japan.

(2) Remuneration and Other Compensation to Directors and Corporate Auditors

	Number of persons to receive remuneration and other compensation	Remuneration and other compensation
Directors	14 persons	256 million yen
Corporate Auditors	7 persons	99 million yen
Total	21 persons	356 million yen

Notes 1: "Number of persons to receive remuneration and other compensation" includes three directors and two corporate auditors who retired from office at the close of the 9th ordinary general meeting of shareholders held on June 27, 2011.

2: "Remuneration and other compensation" includes the amounts paid to the three directors and two corporate auditors referred to in "Note 1" above.

3: Remuneration in connection with share acquisition rights is described below. Share acquisition rights as a form of compensation for corporate auditors were abolished at the 9th ordinary general meeting of shareholders held on June 27, 2011. The 3 million yen described as paid to corporate auditors are the expenses incurred in the fiscal year ended March 31, 2012 related to rights that were granted prior to the abolition of such compensation for the corporate auditors.
Directors: 46 million yen
Corporate Auditors: 3 million yen
Total: 50 million yen

4: Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders is described below.

	Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders
Directors	Monthly remuneration: 25 million yen per month Remuneration in connection with share acquisition rights: 70 million yen per year
Corporate Auditors	Monthly remuneration: 12 million yen per month

Total	Monthly remuneration: 37 million yen per month Remuneration in connection with share acquisition rights: 70 million yen per year

3. Matters Concerning Outside Directors and Outside Corporate Auditors

(1) Other Assignments (As of March 31, 2012)

Name	Other assignments
Kunio Ito (outside director)	Director of Sharp Corporation (outside director) Director of Mitsubishi Corporation (outside director) Director of Akebono Brake Industry Co., Ltd. (outside director)
Akio Mimura (outside director)	Representative Director and Chairman of Nippon Steel Corporation Director of Development Bank of Japan Inc. (outside director) Director of the Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director)
Mikio Sasaki (outside director)	Director of Mitsubishi Motors Corporation (outside director) Director of Mitsubishi Electric Corporation (outside director) Director of Mitsubishi Research Institute, Inc. (outside director)
Yuko Kawamoto (outside corporate auditor)	Director of ITOCHU Corporation (outside director) Director of Yamaha Motor Co., Ltd. (outside director) Director of Monex Group, Inc. (outside director) Director of Osaka Securities Exchange Co., Ltd. (outside director)

Notes: 1. Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. The Company has listed its shares on Osaka Securities Exchange Co., Ltd.

3. Insurance subsidiaries of the Company conduct considerable amounts of insurance-related transactions with Sharp Corporation, Mitsubishi Corporation, Nippon Steel Corporation, Nisshin Seifun Group Inc., Mitsubishi Motors Corporation, Mitsubishi Electric Corporation and ITOCHU Corporation and their subsidiaries.

(2) Principal Activities

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Kunio Ito (outside director)	2 year and 9 months	Attended 10 of the 11 board of directors' meetings held during the fiscal year ended March 31, 2012.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a specialist in business administration which has been acquired through many years of involvement in academic activities.
Akio Mimura (outside director)	1 year and 9 months	Attended 8 of the 11 board of directors' meetings held during the fiscal year ended March 31, 2012.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Mikio Sasaki	9 months	After assuming the	He has fulfilled his supervisory

(outside director)		position, attended all 9 board of directors' meetings held during the fiscal year ended March 31, 2012.	functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Hiroshi Fukuda (outside corporate auditor)	5 year and 9 months	Attended all 11 board of directors' meetings and all 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2012.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience as a diplomat and as a Justice of the Supreme Court of Japan.
Yuko Kawamoto (outside corporate auditor)	5 year and 9 months	Attended 10 of the 11 board of directors' meetings and 10 of the 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2012.	She has fulfilled her audit functions by asking for detailed explanations and making remarks on a timely basis, based on her insight on business management which has been acquired through many years of experience as a consultant and involvement in academic activities.
Akinari Horii (outside corporate auditor)	9 months	After assuming the position, attended all 9 board of directors' meetings and all 9 board of corporate auditors' meetings held during the fiscal year ended March 31, 2012.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience in his role as an executive or a regular employee of Bank of Japan.

Notes: 1. Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Current term in office is the length of the term held as of March 31, 2012.

3. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." columns includes matters in connection with the board of corporate auditors' meetings as well as the board of directors' meetings.

4. All of the 11 board of directors' meetings held during the fiscal year ended March 31, 2012 were ordinary meetings. All of the 11 board of corporate auditors' meetings held during the fiscal year ended March 31, 2012 were ordinary meetings.

(3) Limitation of Liability

Name	Outline of the contract to limit liability
Kunio Ito (outside director) Akio Mimura (outside director) Mikio Sasaki (outside director) Hiroshi Fukuda (outside corporate auditor) Yuko Kawamoto (outside corporate auditor) Akinari Horii (outside corporate auditor)	In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with the persons listed in this table to limit their liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement is the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan.

Note: Outside directors and outside corporate auditors qualify as those defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

(4) Remuneration and Other Compensation

	Number of persons to receive remuneration and other compensation	Remuneration received from the insurance holding company	Remuneration received from the parent company, etc. of the insurance holding company
Total amount of remuneration and other compensation	8 persons	52 million yen	-

Notes: 1. "Number of persons to receive remuneration and other compensation" includes one outside director and one outside corporate auditor who retired from office at the close of the 9th ordinary general meeting of shareholders held on June 27, 2011.

2. "Remuneration received from the insurance holding company" includes the amount paid to one outside director and one outside corporate auditor referred to in "Note 1" above.

3. Of the "Remuneration received from the insurance holding company", remuneration in connection with share acquisition rights was 5 million yen.

4. The breakdown of the remuneration is as follows.
- Outside directors: 4 persons, 25 million yen
- Outside corporate auditors: 4 persons, 26 million yen

(5) Comments of Outside Directors and Outside Corporate Auditors

None.

4. Matters Concerning Common Share

(1) Number of Shares (As of March 31, 2012)

Total number of shares authorized to be issued: 3,300,000 thousand shares
Total number of the issued shares: 804,524 thousand shares (including 37,596 thousand treasury shares)

(2) Total Number of Shareholders (As of March 31, 2012)

94,132

(3) Major shareholders (As of March 31, 2012)

Shareholders	Capital contribution to the Company	
	Number of shares held	Ratio of shares held
	thousand shares	%
Japan Trustee Services Bank, Ltd. (Trust Account)	46,744	6.1
The Master Trust Bank of Japan, Ltd. (Trust Account)	43,896	5.7
Meiji Yasuda Life Insurance Company	19,179	2.5
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	18,202	2.4
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,695	2.0
State Street Bank and Trust Company 505225	14,559	1.9
Trust & Custody Services Bank, Ltd. as a trustee for Mizuho Trust Retirement Benefits Trust Account for Mitsubishi Heavy Industries, Ltd.	14,074	1.8
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	12,228	1.6
Moxley & Co. LLC	11,924	1.6
Tokai Nichido Employee Stock Ownership Plan	11,634	1.5

Notes: 1. The 14,074 thousand shares held by Trust & Custody Services Bank, Ltd. as a trustee for Mizuho Trust Retirement Benefits Trust Account for Mitsubishi Heavy Industries Ltd. are an asset entrusted by Mitsubishi Heavy Industries, Ltd. for its retirement benefits trust.

2. Moxley & Co. LLC is the corporate nominee holder of common share deposited for the issuance of ADRs.

3. The Company holds 37,596 thousand treasury shares but is not included in "Shareholders" column in the table.

4. The ratio of shares held is calculated after deducting 37,596 thousand treasury shares held by the Company.

(Composition ratio by type of shareholders)

Financial institutions:	39.6%
Financial instruments firms:	1.6%
Other domestic companies:	7.8%
Foreign companies:	32.9%
Individuals and others:	18.2%

(The number of outstanding shares as of March 31, 2012: 804,524 thousand shares)

5. Matters Concerning Share Acquisition Rights

(1) Share Acquisition Rights held by Directors and Corporate Auditors of the Insurance Holding Company as of the End of the Fiscal Year

<table>
<tr><th></th><th>Outline of the share acquisition rights</th><th>Number of persons holding the share acquisition rights</th></tr>
<tr><td>Directors (except outside directors)</td><td rowspan="3">The July 2005 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 7
Outside directors: 0
Corporate Auditors: 1
- Class and number of shares to be issued upon exercise of the share acquisition rights: 4,000 common shares (500 shares shall be issued upon exercise of each share acquisition right.)

The July 2006 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 4
Outside directors: 0
Corporate Auditors: 4
- Class and number of shares to be issued upon exercise of the share acquisition rights: 4,000 common shares (500 shares shall be issued upon exercise of each share acquisition right.)

The July 2007 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 38
Outside directors: 0
Corporate Auditors: 29
- Class and number of shares to be issued upon exercise of the share acquisition rights: 6,700 common shares (100 shares shall be issued upon exercise of each share acquisition right.)

The August 2008 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 33
Outside directors: 0
Corporate Auditors: 33
- Class and number of shares to be issued upon exercise of the share acquisition rights: 6,600 common shares (100 shares shall be issued upon exercise of each share acquisition right.)

The July 2009 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan)
- The number of the share acquisition rights held by:
Directors (except outside directors): 64
Outside directors:6
Corporate Auditors: 57
- Class and number of shares to be issued upon exercise of the share acquisition rights: 12,700 common shares (100 shares</td><td>8 persons</td></tr>
<tr><td>Outside Directors</td><td>3 persons</td></tr>
<tr><td>Corporate Auditors</td><td>3 persons</td></tr>
</table>

	shall be issued upon exercise of each share acquisition right.) The July 2010 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights held by: Directors (except outside directors): 120 Outside directors:14 Corporate Auditors: 42 - Class and number of shares to be issued upon exercise of the share acquisition rights: 17,600 common shares (100 shares shall be issued upon exercise of each share acquisition right.) The July 2011 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights held by: Directors (except outside directors): 182 Outside directors:21 - Class and number of shares to be issued upon exercise of the share acquisition rights: 20,300 common shares (100 shares shall be issued upon exercise of each share acquisition right.)	

Notes: 1. All share acquisition rights are issued by the Company pursuant to a stock-linked compensation plan.

2. The July 2005 Share Acquisition Rights were issued with especially favorable terms to directors (including non-members of the board) and corporate auditors of Tokio Marine Holdings and its major subsidiaries (collectively referred to as the "Directors and Corporate Auditors"), pursuant to Articles 280-20 and 280-21 of the former Commercial Code. The status of the share acquisition rights as of March 31, 2012 and the outline of the share acquisition rights are as follows:

- Status as of March 31, 2012
  The number of the share acquisition rights: 41
  Class and number of shares to be issued upon exercise of the share acquisition rights: 20,500 common shares (500 shares shall be issued upon exercise of each share acquisition rights.)

- Outline of the share acquisition rights
  Issue price: Issued without receipt of monetary consideration
  Amount to be paid upon the exercise of the share acquisition rights: 1 yen per share
  Exercise period: 30 years from the allotment of the share acquisition rights
  Conditions for the exercise of the share acquisition rights: Share acquisition rights held by any of the "Directors and Corporate Auditors" that he/she received in his/her capacity as a director (including a non-member of the board) or a corporate auditor of the relevant entity may only be exercised after he/she has retired from any position as a director (including a non-member of the board) or corporate auditor of such entity.

3. Share acquisition rights issued from July 2006 through July 2011 were allotted to Directors and Corporate Auditors to settle their cash remuneration claims against their respective companies, pursuant to Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act of Japan. The status of the share acquisition rights as of March 31, 2012 and the outline of the share acquisition rights are set forth in the table below.

	Number of share acquisition rights (as of March 31, 2012)	Class and number of shares to be issued upon exercise of the share acquisition rights (as of March 31, 2012)	Amount payable at issuance	Amount to be paid upon the exercise of the share acquisition rights	Exercise period	Conditions for the exercise of the share acquisition rights
July 2006 Share Acquisition Rights	38	19,000 common shares	2,013,506 yen	1 yen per share	30 years from the allotment of the share acquisition rights	Share acquisition rights held by any of the "Directors and Corporate Auditors" that he/she received in his/her capacity as a director (including a non-member of the board) or a corporate auditor of the relevant entity may only be exercised after he/she has retired from any position as a director (including a non-member of the board) or corporate auditor of such entity.
July 2007 Share Acquisition Rights	262	26,200 common shares	491,700 yen			
August 2008 Share Acquisition Rights	620	62,000 common shares	353,300 yen			
July 2009 Share Acquisition Rights	1,447	144,700 common shares	237,600 yen			
July 2010 Share Acquisition Rights	1,949	194,900 common shares	234,400 yen			
July 2011 Share Acquisition Rights	2,221	222,100 common shares	219,500 yen			

4. Directors and corporate auditors of the Company who were also directors (including non-members of the board) of the Company's major subsidiaries at the time of the issuance of the share acquisition rights have been allotted share acquisition rights in their capacity as directors (including non-members of the board) of these companies. The number of such share acquisition rights held by directors (excluding outside directors) and corporate auditors of the Company as of March 31, 2012 is as follows.
   The July 2005 Share Acquisition Rights: 28
   The July 2006 Share Acquisition Rights: 18
   The July 2007 Share Acquisition Rights: 89
   The August 2008 Share Acquisition rights: 151
   The July 2009 Share Acquisition rights: 289
   The July 2010 Share Acquisition rights: 313
   The July 2011 Share Acquisition rights: 229

(2) Share Acquisition Rights Allotted to Employees, etc. during the Fiscal Year

	Outline of the share acquisition rights	Number of persons who were allotted share acquisition rights
Employees	The July 2011 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights: 171 - Class and number of shares to be issued upon exercise of the share acquisition rights: 17,100 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	7 persons
Directors, corporate auditors and employees of subsidiaries	The July 2011 Share Acquisition Rights (a share option scheme under a stock-linked compensation plan) - The number of the share acquisition rights: 1,560 - Class and number of shares to be issued upon exercise of the share acquisition rights: 156,000 common shares (100 shares shall be issued upon exercise of each share acquisition rights.)	53 persons

Notes: 1. All share acquisition rights are issued by the Company pursuant to a stock-linked compensation plan.

2. The above table shows July 2011 Share Acquisition Rights allotted to employees of the Company, directors, corporate auditors and employees of the Company's subsidiaries by offsetting their monetary remuneration claims accrued as a consideration for their service in the respective subsidiaries. "Employees" in the above table are directors who are not the members of the board of the Company.

3. The above table does not include 229 rights of the July 2011 Share Acquisition Rights allotted to the directors of the Company who were also directors (including non-members of the board) of the Company's major subsidiaries at the time of the issuance of the share acquisition rights, which were allotted in their capacity as directors (including non-members of the board) of these companies by settling their cash remuneration claims against their respective companies.

4. The above table does not include 58 rights of the July 2011 Share Acquisition Rights allotted to the corporate officers of the Company (excluding those who are also directors of the Company) at the time of the issuance of the share acquisition rights, which were allotted in their capacity as directors (including non-members of the board) of these companies by settling their cash remuneration claims against their respective companies.

6. Matters Concerning the Independent Auditor

(1) Independent Auditor (PricewaterhouseCoopers Aarata)

Name	Remuneration for the fiscal year ended March 31, 2012	Other matters
Designated Partners: Chikakuni Yoshida Takashi Sasaki Takaaki Ino	117 million yen	Non-audit services (i.e., services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Law) provided to the Company by the independent auditor for a fee: accounting advisory service related to International Financial Reporting Standards (IFRS) and preliminary review of internal controls on financial reports in connection with the introduction of the new consolidated accounting system.

Notes: 1. The audit engagement letter entered into between the Company and the independent auditor does not clearly distinguish between the remuneration for audit services required by the Companies Act of Japan and the remuneration for a part of audit services required by the Financial Instruments and Exchange Act of Japan for these services are practically inseparable.

2. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 762 million yen.

(2) Limitation of Liability

None.

(3) Other matters Concerning the Independent Auditor

a. Policy regarding dismissals or decisions not to reappoint an independent auditor

The Company has adopted a policy regarding decisions on dismissing or not reappointing an independent auditor as described below.

The Board of Corporate Auditors shall consider dismissing or not reappointing an independent auditor if the independent auditor falls under any of the items of Article 340, paragraph 1 of the Companies Act of Japan or if there are any issues that question the suitability of the independent auditor. If the Board of Corporate Auditors concludes that the independent auditor should be dismissed or not be reappointed, the Board shall either dismiss the independent auditor by itself, or shall request the Board of Directors to submit a proposal to the General Meeting of Shareholders to dismiss or not to reappoint the independent auditor.

b. Audit of financial statements of major subsidiaries of the insurance holding company conducted by audit firms other than the independent auditor of the insurance holding company

The financial statements of overseas subsidiaries and affiliates are audited by audit firms overseas, including the member firms of PricewaterhouseCoopers which is affiliated with PricewaterhouseCoopers Aarata.

7. Basic Policy Regarding Persons Who Control the Company's Decisions on Financial Matters and Business Policies

None.

8. System to assure appropriate business operations

(1) Establishment and implementation of the internal control system

The Company's "Basic Policies for Internal Control" guide the development of the group companies' business administration, compliance, risk management, internal audit and other systems which comprise Tokio Marine Group's internal controls. Through these initiatives, the Company aims to ensure appropriate operations and improve corporate value. The Company also monitors the establishment and implementation of internal controls on an annual basis, and the Board of Directors verifies these results based on the findings of the Internal Control Committee. Through this process, the Company continues to improve and strengthen our internal control systems.

(2) Basic Policies for Internal Control

1. System for ensuring proper operations within the Tokio Marine Group (the "Group")

(1) Based upon the "Tokio Marine Group Corporate Philosophy", the Company, as the holding company presiding over the businesses of the Group, by establishing both the Group's basic policies for the administration of Group companies and a system of reporting to the Board of Directors, shall develop the Company's management system for all the Group companies.

a. The Company shall administer the business of Group companies under its direct management ("Subsidiaries and Others") by concluding business management agreements with them and through other means.

(a) The Company shall provide Subsidiaries and Others with the Group's basic policies that form the fundamentals of the Group's management strategies and the Company's management.

(b) Business strategies, business projects and other important plans by Subsidiaries and Others shall be subject to the Company's prior approval.

(c) Subsidiaries and Others shall report to the Company their initiatives based on the Group's basic policies and the progress of their business plans.

b. The business management of Group companies other than Subsidiaries and Others shall, in principle, be made through Subsidiaries and Others.

(2) The Company shall establish the Group's basic policies for accounting, grasp its consolidated financial position and the Group companies' financial positions, and develop systems for obtaining approval from, and submitting reports to, shareholders and supervisory organizations and submitting tax returns to authorities in a proper manner.

(3) The Company shall establish the Group's basic policies for internal controls over financial reporting and develop systems for ensuring the appropriateness and reliability of financial reporting.

(4) The Company shall establish the Group's basic policies for disclosure, and develop systems for disclosing information on corporate activities in a timely and proper manner.

(5) The Company shall establish the Group's basic policies for management of intragroup transactions and develop systems for such transactions.

2. System for ensuring the execution of professional duties in accordance with applicable laws, regulations and the Articles of Incorporation

(1) The Company shall establish the Group's basic policies for compliance and develop compliance systems.

a. The Company shall establish a department supervising compliance.

b. The Company shall formulate "Group Code of Conduct" and ensure that all directors and employees of the Group respect such code of conduct and give top priority to compliance in all phases of the Group's business activities.

c. The Company shall have Subsidiaries and Others prepare compliance manuals and widely promote compliance within the Group by means of training on laws, regulations, internal rules and other matters which all directors and employees of the Group must respect.

d. The Company shall establish reporting rules in the event of a violation of laws, regulations or internal rules within any of the Subsidiaries and Others and, in addition to usual reporting routes, set up hotlines (an internal whistle-blower system) to an internal and external organization and while keeping all directors and employees of the Group well informed as to the use of the system.

(2) The Company shall establish the Group's basic policies for the protection of customers' interests and maintain a customer-oriented policy in all phases of business in order to maintain a system for the protection of customers' interests.

(3) The Company shall establish the Group's basic policies for information security management and develop such systems.

(4) The Company shall establish the Group's basic policies against antisocial factions and groups, and in association with lawyers, police and other professionals, maintain its systems against such antisocial factions and groups, and respond to them in an organized and uncompromising manner by severing relationships with them and refusing unfair demands.

(5) The Company shall establish an internal audit department separate and independent of other departments, establish the Group's basic policies for internal audits of the Group and maintain systems for efficient and effective internal audits within the Company and Group companies.

3. System for risk management

(1) The Company shall establish the Group's basic policies for risk management and maintain risk management systems.

a. The Company shall establish a department supervising risk management.

b. The Company shall perform risk management by following the basic processes of risk identification, evaluation and control, contingency planning and assessment of outcomes through risk monitoring and reporting.

c. The Company shall have each of the Subsidiaries and Others perform risk management appropriate to its types of business and its risk characteristics.

(2) The Company shall establish the Group's basic policies for integrated risk management and perform quantitative risk management across the entire Group to maintain credit ratings and prevent bankruptcies.

(3) The Company shall establish the Group's basic policies for crisis management and maintain systems for crisis management.

4. System for ensuring efficient execution of professional duties

(1) The Company shall formulate a medium-term management plan and an annual plan (including numerical targets, etc.) for the Group.

(2) The Company shall establish rules regarding the exercise of authority and construct an appropriate organizational structure for achieving its business purposes in order to realize efficient execution of operations through a proper division of responsibilities and a chain of command.

(3) The Company shall formulate rules for and establish a "Management Meeting", composed of directors, executive officers and other relevant persons, that shall discuss and report on important management issues.

(4) The Company shall establish an Internal Control Committee that shall formulate various basic policies and other measures concerning the Group's internal control systems, evaluate their progress, discuss how to improve them, and promote their development.

(5) The Company shall establish the Group’s basic policies for IT governance, and develop systems for achieving IT governance.

(6) The Company shall establish the Group's basic policies for personnel matters with a view to enhancing productivity and corporate value through comprehensive efforts to enhance employees' satisfaction and pride in their work and promoting fair and transparent personnel management linked with proper performance evaluation.

5. System for preserving and managing information concerning the execution of directors' duties

The Company shall establish rules for the preservation of documents and other materials. The minutes of important meetings and documents containing material information regarding the execution of duties by the directors and the executive officers shall be preserved and managed appropriately in accordance with such rules.

6. Matters concerning support personnel to the corporate auditors and their independence from the directors

(1) The Company shall establish the Corporate Auditor's Office under the direct control of the corporate auditors for the purpose of supporting them in the performance of their duties. Upon request of the corporate auditors, the Company shall assign full-time employees having sufficient knowledge and ability to support the corporate auditors.

(2) Employees assigned to the Corporate Auditor's Office shall perform duties ordered by the corporate auditors and other work necessary for proceeding with audits, and such employees shall have the right to collect information necessary for audit purposes.

(3) Performance evaluations, personnel transfers and disciplinary action concerning such employees shall be made with the approval of the standing corporate auditors.

7. System of reporting to the corporate auditors

(1) Directors and employees shall regularly report to the corporate auditors on management, financial condition, compliance, risk management, internal audits and other matters, and in the event that they detect a material violation of laws, regulations or internal rules, or a fact likely to cause considerable damage to the Company, they shall immediately report thereof to the corporate auditors.

(2) Directors and employees shall regularly report to the corporate auditors on matters such as

how the hot lines (the internal whistle-blower system) are used and important reports and consultations made.

8. Other systems for ensuring effective audits by the corporate auditors

(1) The corporate auditors shall attend meetings of the Board of Directors, have the right to attend "Management Meetings" and other important meetings and committees, and express their opinions.

(2) The corporate auditors shall have the right to inspect at any time the minutes of important meetings and other important documents relating to decisions approved by the directors and the executive officers.

(3) Directors and employees shall, at any time upon the request of the corporate auditors, explain matters concerning the execution of their duties.

(4) The Internal Audit Department shall strengthen its coordination with the corporate auditors by assisting in the audit process and through other means.

9. Matters Concerning Accounting Advisers (*Kaikei Sanyo*)

None.

10. Other Matters

None.

Consolidated Balance Sheet as of March 31, 2012

(Yen in millions)

	As of March 31, 2012
(Assets)	
Cash and bank deposits	405,432
Call loans	128,391
Receivables under resale agreements	304,931
Receivables under security borrowing transactions	58,753
Monetary receivables bought	863,794
Money trusts	3,163
Securities	12,229,159
Loans	424,743
Tangible fixed assets	303,819
Land	144,356
Buildings	137,455
Construction in progress	1,818
Other tangible fixed assets	20,189
Intangible fixed assets	320,145
Software	4,786
Goodwill	243,091
Other intangible fixed assets	72,266
Other assets	1,066,905
Deferred tax assets	174,201
Customers' liabilities under acceptances and guarantees	74,359
Allowance for doubtful accounts	-19,340
Total assets	16,338,460
(Liabilities)	
Insurance liabilities	11,822,090
Outstanding claims	1,444,219
Underwriting reserves	10,377,870
Corporate bonds	111,140
Other liabilities	2,051,509
Payables under security lending transactions	1,142,039
Other liabilities	909,470
Retirement benefit obligations	175,094
Retirement benefit obligations for directors and corporate auditors	25
Provision for employees' bonus	24,381
Reserve under the special law	70,137
Price fluctuation reserve	70,137
Deferred tax liabilities	41,291
Negative goodwill	110,964
Acceptances and guarantees	74,359
Total liabilities	14,480,995
(Net assets)	
Shareholders' equity	
Share capital	150,000
Retained earnings	1,104,810
Treasury shares	-109,418
Total shareholders' equity	1,145,391
Accumulated other comprehensive income	
Unrealized gains on securities, net of taxes	828,245
Deferred gains/losses on hedge transactions	22,780
Foreign currency translation adjustments	-156,812
Total accumulated other comprehensive income	694,213
Share acquisition rights	1,598
Non-controlling interests	16,261
Total net assets	1,857,465
Total liabilities and net assets	16,338,460

Consolidated Statement of Income for the fiscal year ended March 31, 2012

(Yen in millions)

	Year ended March 31, 2012
Ordinary income	3,415,984
Underwriting income	2,978,100
Net premiums written	2,324,492
Deposit premiums from policyholders	141,640
Investment income on deposit premiums	60,800
Life insurance premiums	344,550
Reversal of underwriting reserves	100,727
Other underwriting income	5,888
Investment income	372,910
Interest and dividends	226,291
Gains on money trusts	289
Gains on trading securities	3,608
Gains on sales of securities	139,434
Gains on redemption of securities	292
Investment gains on separate accounts	52,693
Other investment income	11,100
Transfer of investment income on deposit premiums	-60,800
Other ordinary income	64,974
Amortization of negative goodwill	10,250
Equity in earnings of affiliates	685
Other ordinary income	54,038
Ordinary expenses	3,255,660
Underwriting expenses	2,698,374
Net claims paid	1,660,040
Loss adjustment expenses	97,130
Agency commissions and brokerage	445,605
Maturity refunds to policyholders	256,028
Dividends to policyholders	765
Life insurance claims	155,113
Provision for outstanding claims	78,014
Other underwriting expenses	5,676
Investment expenses	38,197
Losses on money trusts	295
Losses on sales of securities	18,253
Impairment losses on securities	10,172
Losses on redemption of securities	3,220
Losses on derivatives	1,998
Other investment expenses	4,257
Operating and general administrative expenses	515,563
Other ordinary expenses	9,375
Interest expenses	2,839
Losses on bad debts	56
Amortization of deferred assets under Article 113 of the Insurance Business Law	1,659
Other ordinary expenses	4,820
Deferred expenses under Article 113 of the Insurance Business Law	-5,850
Ordinary profit	160,324
Extraordinary gains	4,901
Gains on disposal of fixed assets	3,132
Gains on negative goodwill	57
Other extraordinary gains	1,712
Extraordinary losses	11,962
Losses on disposal of fixed assets	2,542
Impairment losses on fixed assets	1,364
Losses on step acquisitions	2,762
Losses on changes in equity of subsidiaries and affiliates	113
Provision under the special law	4,282
Provision for price fluctuation	4,282
Other extraordinary losses	897
Income before income taxes and non-controlling interests	153,263
Income taxes - current	72,931
Income taxes - deferred	73,935
Total income taxes	146,866
Income before non-controlling interests	6,397
Non-controlling interests	395
Net income	6,001

Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2012

(Yen in millions)

	Year ended March 31, 2012
Shareholders' equity	
Share capital	
Beginning balance	150,000
Changes during the year	
Total changes during the year	-
Ending balance	150,000
Retained earnings	
Beginning balance	1,135,510
Changes during the year	
Dividends	-38,343
Net income	6,001
Disposition of treasury shares	-30
Changes in the scope of consolidation	2,089
Changes in the scope of equity method	-88
Others (Note)	-327
Total changes during the year	-30,699
Ending balance	1,104,810
Treasury shares	
Beginning balance	-109,749
Changes during the year	
Repurchase of treasury shares	-38
Disposition of treasury shares	368
Total changes during the year	330
Ending balance	-109,418
Total shareholders' equity	
Beginning balance	1,175,760
Changes during the year	
Dividends	-38,343
Net income	6,001
Repurchase of treasury shares	-38
Disposition of treasury shares	338
Changes in the scope of consolidation	2,089
Changes in the scope of equity method	-88
Others (Note)	-327
Total changes during the year	-30,369
Ending balance	1,145,391
Accumulated other comprehensive income	
Unrealized gains on securities, net of tax	
Beginning balance	822,481
Changes during the year	
Net changes in items other than shareholders' equity	5,763
Total changes during the year	5,763
Ending balance	828,245
Deferred gains/losses on hedge transactions	
Beginning balance	16,483
Changes during the year	
Net changes in items other than shareholders' equity	6,297
Total changes during the year	6,297
Ending balance	22,780

Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2012

(Yen in millions)

	Year ended March 31, 2012
Foreign currency translation adjustments	
Beginning balance	-128,181
Changes during the year	
Net changes in items other than shareholders' equity	-28,631
Total changes during the year	-28,631
Ending balance	-156,812
Share acquisition rights	
Beginning balance	1,426
Changes during the year	
Net changes in items other than shareholders' equity	171
Total changes during the year	171
Ending balance	1,598
Non-controlling interests	
Beginning balance	16,506
Changes during the year	
Net changes in items other than shareholders' equity	-244
Total changes during the year	-244
Ending balance	16,261
Total net assets	
Beginning balance	1,904,477
Changes during the year	
Dividends	-38,343
Net income	6,001
Repurchase of treasury shares	-38
Disposition of treasury shares	338
Changes in the scope of consolidation	2,089
Changes in the scope of equity method	-88
Others (Note)	-327
Net changes in items other than shareholders' equity	-16,642
Total changes during the year	-47,012
Ending balance	1,857,465

(Note) "Others" consisted mainly of reclassification adjustments of tax effects initially appraised in accordance with accounting policies adopted by foreign consolidated subsidiaries.

Notes to Consolidated Financial Statements

Significant matters related to consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 63 companies
Names of major consolidated subsidiaries:
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Nisshin Fire & Marine Insurance Co., Ltd.
- Tokio Marine & Nichido Life Insurance Co., Ltd.
- Tokio Marine & Nichido Financial Life Insurance Co., Ltd.
- Tokio Marine Millea SAST Insurance Co., Ltd.
- Tokio Marine North America, Inc.
- Philadelphia Consolidated Holding Corp.
- Philadelphia Indemnity Insurance Company
- First Insurance Company of Hawaii, Ltd.
- Kiln Group Limited
- Kiln Underwriting Limited
- Tokio Millennium Re (UK) Limited
- Tokio Marine Underwriting Limited
- Tokio Marine Bluebell Re Limited
- Tokio Marine Asia Pte. Ltd.
- Asia General Holdings Limited
- Tokio Marine Insurance Singapore Ltd.
- Tokio Marine Life Insurance Singapore Ltd.
- Tokio Marine Life Insurance Malaysia Bhd.
- Tokio Marine Seguradora S.A.
- Tokio Millennium Re Ltd.
- Tokio Marine Financial Solutions Ltd.

Beginning with the fiscal year ended March 31, 2012, Tokio Marine North America, Inc. and The Tokio Marine and Nichido Fire Insurance Company (China) Limited are included in the consolidation due to an increase in materiality, and First Insurance Company of Hawaii, Ltd. ("FICOH") and 5 other companies because they became subsidiaries due to additional share acquisition. Manchester Marine Underwriters Limited and 2 other companies are excluded from the consolidation because they have been dissolved.

(2) Names of major non-consolidated subsidiaries
Major subsidiaries:
- Tokio Marine & Nichido Adjusting Service Co., Ltd.
- Tokio Marine Capital Co., Ltd.

Reason the subsidiaries were excluded from the consolidation:
Each of these non-consolidated subsidiaries is small in scale in terms of total assets, sales, net income or loss for the period and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations and are excluded from the consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for by the equity method: 11 companies
Names of major affiliates accounted for by the equity method:
Edelweiss Tokio Life Insurance Company Limited

Edelweiss Tokio Life Insurance Company Limited is accounted for by the equity method from the fiscal year ended March 31, 2012 due to an increase in materiality. WNC Holding Company, LP and 7 other companies are accounted for by the equity method from the fiscal year ended March 31, 2012 because they became affiliates of the Company through the acquisition of shares. FICOH is no longer an affiliate accounted for by the equity method because the Company increased its equity interest in FICOH and FICOH became a subsidiary of the Company during the fiscal year ended March 31, 2012.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (IFFCO-TOKIO General Insurance Co., Ltd., etc.) have not been accounted for by the equity method because these companies have had a minor effect on the Company's consolidated net income or loss and retained earnings for the fiscal year ended March 31, 2012 and are not considered material as a whole.

(3) The Company owns 30.1% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. through Tokio Marine & Nichido and Nisshin Fire. The Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it believes that it can not exert a significant influence on any policy making decisions of Japan Earthquake Reinsurance Co., Ltd.'s operations given the highly public nature of the company.

(4) With regard to any company accounted for by the equity method that has a different closing date from that of the consolidated financial statements, the financial statements of that company for its fiscal year are used for presentation in the consolidated financial results.

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for one of the domestic consolidated subsidiaries and 53 overseas consolidated subsidiaries is December 31. Since the differences in the closing dates do not exceed three months, the financial statements of the consolidated subsidiaries as of December 31 are used for presentation in the accompanying consolidated financial statements. As for any significant transactions taking place during the period between the subsidiaries' closing dates and the consolidated closing date, necessary adjustments are made for consolidation purposes.

4. Accounting policies

(1) Valuation of securities

a. Trading securities are valued by the mark-to-market method, with the costs of their sales being calculated on the moving-average method.

b. Bonds held to maturity are recorded by using the amortized cost method (straight-line method) based on the moving-average method.

c. Bonds earmarked for policy reserves are recorded by using amortized cost method (straight-line method) based on the moving-average method, in accordance with the Industry Audit Committee Report No. 21 “Temporary Treatment of Accounting and Auditing Concerning Securities Earmarked for Policy Reserve in Insurance Industry” issued by the Japanese Institute of Certified Public Accountants (the “JICPA”), November 16, 2000.

Bonds earmarked for policy reserves are recognized in the amount of 221,781 million yen on the consolidated balance sheet as of March 31, 2012. The fair value thereof is 235,771 million yen.

Following is a summary of the risk management policy concerning bonds earmarked for policy reserves.

In order to control interest rate fluctuation risks relating to assets and liabilities, Tokio Marine & Nichido Life divides their policy reserves into following subgroups: "dollar-denominated policy reserve for deferment period of individual annuity insurance (denominated in U.S. dollars) with floating cancellation refund linked with market interest rates", "policy reserve for deferment period of individual annuity insurance with floating interest rates", "policy reserve for lump sum deposit-type whole-life insurance denominated in U.S. dollars with floating interest rates", "policy reserve for lump sum deposit-type whole-life insurance with floating interest rates" and "policy reserve for lump sum deposit-type individual annuity insurance". Tokio Marine & Nichido Life maintains the policy to match the duration of policy reserves of each subgroup and bonds earmarked for the policy reserve within certain time range.

d. Other securities with fair value are recorded by the mark-to-market method based upon the market price on the closing date.

The total amount of unrealized gains/losses on such securities is directly added to net assets with costs of sales being calculated on the moving-average method.

e. Other securities for which the fair value is difficult to ascertain are recorded at cost determined by the moving-average method.

f. Equity shares in non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are recorded at cost determined by the moving-average method.

g. Securities held in individually managed money trusts that are invested as trusted assets are recorded by the mark-to-market method.

(2) Valuation of derivative financial instruments

Derivative financial instruments are accounted for by the mark-to-market method.

(3) Depreciation method for tangible fixed assets

Depreciation of tangible fixed assets owned by the Company and its domestic consolidated subsidiaries is computed using the declining balance method. However, depreciation of buildings (excluding auxiliary facilities attached to such buildings, etc.) that were acquired on or after April 1, 1998 is computed using the straight-line method.

(4) Depreciation method for intangible fixed assets

Depreciation of intangible fixed assets procured through acquisitions of overseas subsidiaries is recorded over the period of time for which the Company expects such subsidiaries contribute to the Company, and in accordance with the form of such contribution.

(5) Accounting policies for significant reserves and allowances

a. Allowance for doubtful accounts
In order to provide for losses from defaults, domestic consolidated subsidiaries of the Company establish allowance for doubtful accounts in accordance with internal asset self-assessment and asset write-off rules as detailed below.

For claims against any debtor who has legally, technically, or substantially become insolvent (due to bankruptcy, special liquidation or suspension of transactions at draft clearinghouses, etc.), allowance is calculated based on the amount of any such claim minus the amount expected to be collectible from disposal of collateral or performance of applicable guarantees.

For claims against any debtor who is likely to become insolvent in the foreseeable future, allowance is calculated based on the amount of any such claim minus the amount expected to be collectible from disposal of collateral, performance of applicable guarantees or the relevant debtor himself, taking into consideration the overall solvency assessment of the relevant debtor.

For claims other than those described above, allowance is provided based on the amount of claims multiplied by the expected default rate, which is computed based on historical loan loss experience in certain previous periods.

In addition, all claims are assessed by the asset accounting department and the asset management department in accordance with the internal rules of asset self-assessment. Subsequently, the asset auditing department, which is independent from other asset-related departments, audits the results of assessment by the other asset-related departments. Allowance for doubtful accounts is recorded based on such assessment results and audits stated above.

b. Retirement benefit obligations
To provide for employees' retirement benefits, the Company and its domestic consolidated subsidiaries have recorded the amount deemed to be incurred at the end of the fiscal year ended March 31, 2012 based on the projected retirement benefit obligations and related pension assets at the end of the fiscal year ended March 31, 2012.

Prior service costs are charged to expenses in each subsequent consolidated fiscal year by using the straight-line method over a certain term (7-14 years) within the average remaining service years of the employees when such costs were incurred.

Actuarial differences are charged to expenses in the subsequent consolidated fiscal year by using the straight-line method over a certain term (1-14 years) within the average remaining service years of the employees.

c. Retirement benefit obligations for directors and corporate auditors
Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors and corporate auditors in the amount considered to be accrued as of the end of the fiscal year ended March 31, 2012, which is calculated in accordance with their internal remuneration regulations.

d. Provision for employees' bonus
To provide for payment of bonuses to employees, the Company and its major consolidated domestic subsidiaries maintain reserves for employees' bonuses based on the expected amount to be paid.

e. Price fluctuation reserve
Domestic consolidated insurance subsidiaries maintain reserves under Article 115 of the Insurance Business Law of Japan in order to provide for possible losses or damages arising from price fluctuation of stock, etc.

(6) Accounting for consumption tax, etc.

The Company and its domestic consolidated subsidiaries account for consumption tax, etc. by the tax-excluded method. However, domestic consolidated insurance subsidiaries account for expenses such as operating and general administrative expenses by the tax-included method.

In addition, any non-deductible consumption tax, etc. incurred in connection with assets is included in other assets (as suspense payments) and is amortized over 5 years using the straight-line method.

(7) Accounting for significant lease transactions

With the exception of transactions in which ownership of leased properties was deemed to be transferred to lessees, the Company accounted for finance lease transactions of its domestic consolidated subsidiaries with lease periods commencing prior to April 1, 2008 under the accounting policy applied to normal lease transactions.

(8) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct asset liability management to control such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swap transactions that are used to manage such risks, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swap transactions based upon the Industry Audit Committee Report No. 26, "Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, September 3, 2002 - hereinafter called "Report No. 26").

Effectiveness is not evaluated for hedge treatments that are believed to have high hedge effectiveness, because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments.

Any deferred gains as of the end of March 2003 that were calculated based on the Industry Audit Committee's Report No.16, "Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, March 31, 2000), which was applicable prior to the application of Report No. 26, are accounted for by Tokio Marine & Nichido using the straight-line method over the remaining hedging period (1-17 years). Tokio Marine & Nichido Life also uses the straight-line method to account for such deferred gains as of the end of March 2002 over the remaining hedging period (6-10 years). The accounting treatments for such deferred gains are based on the transitional measures in Report No. 26. Deferred gains under this treatment as of March 31, 2012 were 22,693 million yen and the amount accounted for in the consolidated financial statements for the fiscal year ended March 31, 2012 was 4,008 million yen.

b. Foreign exchange

With regard to some of Tokio Marine & Nichido's currency forward transactions, which have been entered into for the purpose of hedging foreign exchange risk associated with assets denominated in foreign currencies, (a) fair value hedge accounting and/or (b) matching treatment are applied. The hedge effectiveness is not evaluated for hedging treatments that are believed to have high hedge effectiveness, such as in cases where hedging tools and hedged instruments share the same important characteristics.

Tokio Marine & Nichido applies deferred hedge accounting to some of currency forward contracts it enters in order to secure yen-denominated cash flow in forecast transactions in foreign currency. Hedge effectiveness is evaluated based on a comparison of the aggregate market fluctuation of the hedged instruments and hedging tools during the period from when the hedge was entered and ending at the time of the evaluation.

(9) Matters concerning amortization of goodwill and negative goodwill

Goodwill recognized as an asset on the consolidated balance sheet is amortized in the following manner. The goodwill in connection with Philadelphia Consolidated Holding Corp. ("PHLY") and Kiln Group Limited is amortized over 20 years and 10 years, respectively, using the straight-line method. Other goodwill is amortized over 2 to 15 years using the straight-line method. Other goodwill in small amounts are amortized at one time.

Negative goodwill that arose on or before March 31, 2010 is recognized as a liability on the consolidated balance sheet and amortized over 20 years using the straight-line method.

(10) Accounting for deferred assets under Article 113 of the Insurance Business Law

The Company evaluated the amount of provisions for and amortization of deferred assets under Article 113 of the Insurance Business Law for E. design Insurance Co., Ltd. in accordance with applicable laws and regulations and the Articles of Incorporation of E. design Insurance Co., Ltd.

Notes regarding additional information

Application of "Accounting Standard for Accounting Changes and Error Corrections"
The Company has applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and corrections of past errors that were made on or after April 1, 2011.

Effects of changes in the corporate income tax rate
Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc. for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114, 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117,

2011) on December 2, 2011, the corporate income tax rate will be lowered and a special restoration surtax will be imposed from the fiscal year beginning on April 1, 2012.

As a result of this change, deferred tax assets (net of deferred tax liabilities) decreased by 16,123 million yen and unrealized gains on securities, net of taxes increased by 62,512 million yen. Also, income before income taxes and non-controlling interests increased by 15,462 million yen and net income decreased by 64,550 million yen.

Statutory effective tax rates applied to the Company and Tokio Marine & Nichido are as follows:
a. Tax rates applied to the Company;
- Before the change: 40.7%
- Fiscal years beginning between April 1, 2012 and April 1, 2014: 38.0%
- Fiscal years beginning on and after April 1, 2015: 35.6%

b. Tax rates applied to Tokio Marine & Nichido
- Before the change: 36.1%
- Fiscal years beginning between April 1, 2012 and April 1, 2014: 33.2%
- Fiscal years beginning on and after April 1, 2015: 30.7%

Notes to consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets is 343,158 million yen and advanced depreciation of such assets is 20,873 million yen.

2. Of all loans and receivables, the total amount of loans to borrowers in bankruptcy, past due loans, loans contractually past due for three months or more, and restructured loans is 12,138 million yen. The breakdown is set forth below.

(1) The amount of loans to borrowers in bankruptcy is 1,289 million yen.

Loans that are past due for a certain period, or for other reasons, are generally placed on non-accrual status when substantial doubt is considered to exist as to the ultimate collectibility either of principal or interest ("Non-accrual status loans"; however, any part of bad debt written-off is excluded.). Loans to borrowers in bankruptcy represent non-accrual status loans that fall within the definitions provided in Article 96, paragraph 1, subparagraph 3 (a) to (e) (maximum amount transferable to allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 5,653 million yen.

Past due loans are non-accrual status loans, other than those to borrowers in bankruptcy, or those on which interest payments are deferred in order to assist business restructuring of the borrowers.

(3) The amount of loans contractually past due for three months or more is 58 million yen.

Loans contractually past due for three months or more are defined as loans on which any principal or interests payments are delayed for three months or more from the date following the due date. Loans classified as loans to borrowers in bankruptcy and past due loans are excluded from this category.

(4) The amount of restructured loans is 5,136 million yen.

Restructured loans are loans on which concessions (e.g., reduction of the original interest rate, deferral of interest payment, extension of the maturity date, forgiveness of debt) are granted to borrowers in financial difficulties to assist them in their corporate restructuring by improving their ability to repay creditors. Restructured loans do not include loans classified as loans to borrowers in bankruptcy, past due loans or loans past due for three months or more.

3. The value of assets pledged as collateral totals 401,835 million yen in securities and 24,640 million yen in savings deposits. Collateralized debt obligations are held to the value of 139,852 million yen in outstanding claims, 52,725 million yen in underwriting reserve and 22,688 million yen in other debts (including foreign reinsurance related debts, etc.).

4. Securities received in connection with securities borrowing transactions have a fair value of 73,774 million yen.

5. Securities include securities lent under loan agreements of 1,206,221 million yen.

6. The outstanding balance of undrawn committed loans is as follows.

	(Yen in millions)
Total loan commitments	62,581
Balance of drawn committed loans	6,931
Undrawn loan commitments	55,650

7. The amount of both assets and liabilities for special account as prescribed in Article 118 of the Insurance Business Law of Japan totals 2,140,793 million yen.

8. Total investment in non-consolidated affiliates is 84,954 million yen.

9. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2012 is as follows:

	(Yen in millions)
TNUS Insurance Company	14
Tokio Marine Compañía de Seguros, S.A. de C.V.	3,079
Tokio Marine Pacific Insurance Limited	3,372
Total	6,465

10. Other assets include 14,746 million yen of deferred assets under Article 113 of the Insurance Business Law of Japan.

Notes to consolidated statement of income

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	403,324
Salaries	217,292

Business expenses consist of "Loss adjustment expenses", "Operating and general administrative expenses" and "Agency commissions and brokerage" as shown in the accompanying consolidated statement of income.

2. The main components of other extraordinary gains are settlement money received amounting to 1,206 million yen.

3. The Company recognized impairment losses on the following properties during the fiscal year ended March 31, 2012.

Purpose of use	Category	Location	Impairment loss (Yen in millions)			
			Land	Building	Others	Total
Properties for business use (insurance and nursing care services)	Buildings and others	5 properties including equipment attached to buildings in Shinagawa-ku, Tokyo	-	95	101	197
Properties for rent	Land and buildings	4 properties including a building in Komatsu-shi, Ishikawa	37	78	-	116
Idle or potential disposal properties	Land and buildings	34 properties including a building in Higashiosaka-shi, Osaka	678	372	-	1,050
Total			716	546	101	1,364

Classification of properties: (a) properties used for the insurance business and other businesses are grouped by each company in consolidation; and (b) other properties including properties for rent and idle or potential disposal properties and properties used for nursing care services are grouped based on their primary uses on an individual basis.

For certain consolidated subsidiaries, the total amount of projected future cash flows from properties for business use in their insurance and nursing care businesses fell below the book values of these properties. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized any such write off as impairment losses in extraordinary losses. The Company has recorded the recoverable value of the relevant assets as a net sales price in the insurance business. However, such net sales price is a memorandum price because of the difficulty in making a reasonable estimate of the amount. The Company calculates the recoverable value of the relevant property in the nursing care services by discounting projected future cash flows at a rate of 6.0 percent.

Due mainly to decline in the real estate market, book values of some properties for rent and idle or potential disposal properties fell below the recoverable values. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized any such write off as impairment losses in extraordinary losses. Recoverable values are either the higher of the net sales price or the utility values of each property. Net sales price is the market value assessed by real estate appraisers minus anticipated expenses for disposal of the relevant properties. The Company calculated the utility values of the relevant properties by discounting projected future cash flows at a rate of 10.0 percent.

Notes to consolidated statement of changes in shareholders' equity

1. Class and number of issued shares and treasury share

(Unit: thousand shares)

	Number of shares as of April 1, 2011	Increase during the fiscal year ended March 31, 2012	Decrease during the fiscal year ended March 31, 2012	Number of shares as of March 31, 2012
Issued shares				
Common share	804,524	-	-	804,524
Total	804,524	-	-	804,524
Treasury share				
Common share	37,704	18	126	37,596
Total	37,704	18	126	37,596

Notes: 1. The increase of 18 thousand treasury shares is attributable to acquisition of shares constituting less than one unit of common share.

2. The decrease of 126 thousand treasury shares is primarily attributable to the allotments of shares in connection with exercises of share acquisition rights which decreased treasury share by 124 thousand.

2. Share acquisition rights (including those owned by the Company)

Category	Nature of share acquisition rights	Amount as of March 31, 2012 (Yen in millions)
The Company (parent company)	Share acquisition rights as share options	1,598

3. Dividends

(1) Amount of dividends

Resolution	Class of share	Total amount of dividends paid (yen in millions)	Amount of dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 27, 2011	Common share	19,170	25	March 31, 2011	June 28, 2011
Meeting of the board of directors held on November 18, 2011	Common share	19,173	25	September 30, 2011	December 6, 2011

(2) Dividends of which the record date falls within the fiscal year ended March 31, 2012, and of which the effective date falls on or after April 1, 2012.

The Company intends to obtain approval for the following dividend payment at the 10th Ordinary General Meeting of Shareholders to be held on June 25, 2012.

Resolution	Class of share	Total amount of dividends paid (yen in millions)	Source of dividends	Amount of dividends per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders to be held on June 25, 2012	Common share	19,173	Retained earnings	25	March 31, 2012	June 26, 2012

Information on financial instruments

1. Qualitative information on financial instruments

The Group's core operation is its insurance business and it generally makes investments based on cash inflows mainly arising from insurance premiums. Investment assets are managed in two categories, which are "Assets backing insurance liabilities" corresponding to long-term insurance contracts such as deposit type insurance and annuity, and "Other".

With regard to "Assets backing insurance liabilities", Asset Liability Management ("ALM") is applied in order to ensure future payments for maturity-refunds and claims. Through ALM, the Group aims to steadily maximize the value of surplus ("Investment assets" minus "Insurance liabilities") by controlling the interest rate risks to which insurance liabilities are exposed and by investing in instruments with some credit risks, mostly bonds with high credit ratings.

With regard to "Other", the Group works toward diversification of investments and improvement of investment efficiency in order to generate sustainable investment income, while maintaining liquidity for future claims payments.

In major consolidated subsidiaries, the risk management department, which is independent of departments executing investment transactions, quantitatively and qualitatively controls risks in order to deal with such investment risks.

Through these approaches, the Group aims to minimize fluctuations in short-term gains and losses, increase investment income in order to maximize net asset value in the mid-to-long-term, and maintain financial soundness.

2. Fair value of financial instruments

Table below shows the fair value of financial instruments excluding those without reasonably measured fair value as of March 31, 2012.

(Yen in millions)

		Carrying amount shown on balance sheet	Fair Value	Difference
(1)	Cash and bank deposits	405,432	405,437	5
(2)	Call loans	128,391	128,391	-
(3)	Receivables under resale agreements	304,931	304,931	-
(4)	Receivables under security borrowing transactions	58,753	58,753	-
(5)	Monetary receivables bought	863,794	863,794	-
(6)	Money trusts	3,163	3,163	-
(7)	Securities			
	Trading securities	2,430,360	2,430,360	-
	Bonds held to maturity	2,282,032	2,376,781	94,749
	Bonds earmarked for policy reserves	221,781	235,771	13,990
	Available for sale securities	6,980,137	6,980,137	-
(8)	Loans	328,127		
	Allowance for doubtful accounts (*1)	-10,152		
		317,975	331,503	13,528
(9)	Corporate bonds (*2)	(111,140)	(112,494)	-1,354
(10)	Payables under security lending transactions (*2)	(1,142,039)	(1,142,039)	-
(11)	Derivative assets and liabilities (*3)	54,266	54,266	-

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amount.
(*2) Items in liabilities are shown with ( ).
(*3) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted.

Notes: 1. Valuation method for financial instruments

With regard to (1) Cash and bank deposits (excluding those defined as securities in "Accounting Standard for Financial Instruments" (ASBJ Statement No.10)), (2) Call loans, (3) Receivables under resale agreement, and (4) Receivables under security borrowing transactions, the book value is deemed as the fair value since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Regarding (7) Securities (including those in (1) Cash and bank deposits and (5) Monetary receivables bought that are defined to be securities in "Accounting for Financial Instruments" (ASBJ Statement No.10) and securities in (6) Money trusts that are invested as trust funds) with quoted market price, the quoted closing price is used for listed shares and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (8) Loans, the book value is deemed as the fair value unless the borrower's credit standing has materially changed since the execution of the loan because interest rate changes will be timely reflected in the future cash flows and the book value approximates the fair value. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans where borrowers are insolvent or in bankruptcy proceedings, the estimated uncollectible debts are deducted from the carrying amount to get the fair value.

With regard to (9) Bonds, the price of the over-the-counter transactions is the fair value.

With regard to (10) Payables under security lending transactions, the book value is deemed as the fair value because it is scheduled to be settled in a short period of time and the book value approximates the fair value.

With regard to (11) Derivative assets and liabilities with quoted market price, the quoted closing price is used as the fair value. For derivative assets and liabilities with no quoted market price, the net present value of the estimated future cash flows or the calculated price based on an option pricing model is applied as the fair value.

2. Unlisted stocks and partnership investments comprised of unlisted stocks (Carrying amount on the consolidated balance sheet: 314,848 million yen) are not included in (7) Securities because the fair value cannot be determined as they have no quoted market price and the future cash flow cannot be estimated.

Policy loans (Carrying amount on the consolidated balance sheet: 96,615 million yen) are not included in (8) Loans because future cash flows cannot be estimated since it is arranged under insurance policy and the amount is limited within repayment fund for cancellation with no contractual maturity.

Information on Investment Property

1. Some of the consolidated subsidiaries hold office buildings and land mainly in Tokyo, Osaka and Nagoya, some of which are leased out.

2. Fair value of investment property

(Yen in millions)

Carrying amount shown on balance sheet as of March 31, 2012	Fair value as of March 31, 2012
78,152	123,386

Notes: 1. Carrying amount is the amount that the accumulated depreciation and the accumulated impairment losses are deducted from the acquisition cost.

2. Fair value as of March 31, 2012 is primarily based on appraisals by qualified external valuers.

Per share information

Net assets per share	2,398.66 yen
Net income per share	7.82 yen

Notes on subsequent events

On April 25, 2012, Tokio Marine & Nichido, a subsidiary of the Company, entered a loan agreement in connection with the acquisition of Delphi Financial Group, Inc. ("Delphi"), a U.S. life and property and casualty insurance group, as detailed below.

(1) Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
(2) Loan amount: Approximately 100 billion yen
(3) Repayment date: May 23, 2017
(4) Collateral or guarantee: None

Others

1. Business combination by acquisition

On November 29, 2011, the Company acquired 50% of the issued shares of FICOH and made it a wholly owned subsidiary through Tokio Marine & Nichido, a subsidiary of the Company. The acquired shares of FICOH were previously owned by CNA Financial Corporation, a major insurance group in the U.S., through its subsidiary The Continental Insurance Company.

(1) Outline of the business combination
a. Name of the acquiree
First Insurance Company of Hawaii, Ltd.
b. Business
Property and casualty insurance
c. Business combination objectives
Tokio Marine Group is seeking further growth in both earnings and scale in the U.S. insurance market, by combining FICOH's high profile and strong brand with Tokio Marine Group's strengths of superior financial ratings and underwriting capacity and back-office support capabilities.
d. Date of the business combination
November 29, 2011
e. Form of the business combination
Acquisition of shares by cash
f. Voting rights acquired through the business combination

Voting rights held immediately prior to the business combination	50%
Additional voting rights acquired on the date of the business combination	50%
Voting rights after the acquisition	100%

(2) Period for which the acquiree's operating results are included in the consolidated statement of income of the Company
The deemed acquisition date is December 31, 2011. Prior to the date, the acquiree's operating results were accounted as equity in earnings of affiliates.

(3) Acquisition cost and its detail

Fair value as of the date of the business combination of FICOH shares held immediately prior to the business combination	12,723	million yen
Fair value of additional FICOH shares acquired on the date of business combination	12,723	million yen
Direct costs of the acquisition	61	million yen

Acquisition cost	25,507	million yen

(4) Difference between the acquisition cost and the total cost of each transaction in the acquisition

Acquisition cost	25,507	million yen
Total cost of each transaction in the acquisition	28,269	million yen
Loss on step acquisition	-2,762	million yen

(5) Amount, reason for recognition, method and period of amortization of goodwill

a. Amount of goodwill

1,653 million yen

b. Reason for recognition of goodwill

The acquisition cost of the acquiree, which was calculated by taking into account projections of the acquiree's future revenue as of the valuation date, exceeded the net amounts of assets acquired and liabilities assumed.

c. Period and method of amortization of goodwill

2 years using the straight line method

(6) Assets and liabilities assumed on the date of the business combination and their main components

Item	Amount (Yen in millions)	Item	Amount (Yen in millions)
Total assets	53,215	Total liabilities	29,361
(Securities)	44,166	(Insurance liabilities)	27,304

(7) Approximate impact on the consolidated statement of income, assuming that the business combination took place at the beginning of the fiscal year ended March 31, 2012

Ordinary income: 12,994 million yen; ordinary profit: 109 million yen; net income: -225 million yen.

These amounts represent the difference between the actual figures and the estimates of the figures for ordinary income, ordinary profit and net income calculated based on the assumption that the business combination was completed at the beginning of the fiscal year ended March 31, 2012. The amount of goodwill amortization was calculated assuming that the goodwill recognized at the time of the business combination was recognized at the beginning of the fiscal year ended March 31, 2012.

The above amounts are un-audited.

2. Subsequent event related to a business combination

On May 15, 2012, through Tokio Marine & Nichido, a subsidiary of the Company, the Company acquired 100% of the issued shares of Delphi, a U.S. life and property and casualty insurance group.

(1) Business combination objectives

Tokio Marine Group is: (i) seeking further growth in both the earnings and scale of its overseas businesses; (ii) creating a more diverse business portfolio; and (iii) establishing new business opportunities through synergies with PHLY and other current U.S. operations.

(2) Outline of the business combination

a. Name of the acquiree

Delphi Financial Group, Inc.

b. Location

Wilmington, Delaware U.S.A.

c. Business

Insurance group holding company

d. Premium and fee income (for the year ended December 31, 2011)

1,564 million U.S. dollars (equivalent to 128,564 million yen*)

e. Total assets (as of December 31, 2011)

8,634 million U.S. dollars (equivalent to 709,661 million yen*)

(3) Acquisition cost

213,570 million yen

Direct costs of the acquisition are not included in the above since the amount has not been fixed.

(4) Financing of the acquisition cost

Outside loans

(5) Method and process of acquisition

Reverse triangular merger under laws concerning business combination in the U.S.

*Note: U.S. dollars were calculated in Japanese yen based on the exchange rate as at the end of March 2012.

Non-consolidated Balance Sheet as of March 31, 2012

(Yen in millions)

	As of March 31, 2012
Assets	
Current assets:	
Cash and bank deposits	2,324
Prepaid expense	0
Receivables	20,571
Receivable consumption tax	23
Others	4
Total current assets	22,924
Fixed assets:	
Tangible fixed assets	
Buildings	202
Motor vehicles and transport equipment	11
Office equipment	64
Total tangible fixed assets	277
Intangible fixed assets	
Telephone right	0
Total intangible fixed assets	0
Investments and other assets	
Investments in subsidiaries and affiliates	2,483,650
Others	78
Total investments and other assets	2,483,729
Total non-current assets	2,484,008
Total assets	2,506,933
Liabilities	
Current liabilities:	
Accounts payable	401
Accrued expenses	224
Accrued income taxes	46
Accrued business office taxes	9
Deposits received	14
Reserve for bonus	331
Others	11
Total current liabilities	1,040
Fixed liabilities:	
Long-term accounts payable	16
Reserve for retirement benefit	185
Total fixed liabilities	202
Total liabilities	1,242
Net assets	
Shareholders' equity:	
Share capital	150,000
Capital surplus	
Additional paid-in capital	1,511,485
Others	86,457
Total capital surplus	1,597,942
Retained earnings	
Other retained earnings	865,567
General reserve	732,275
Retained earnings carried forward	133,292
Total retained earnings	865,567
Treasury share	-109,418
Total shareholders' equity	2,504,091
Share acquisition rights	1,598
Total net assets	2,505,690
Total liabilities and net assets	2,506,933

Non-consolidated Statement of Income for the fiscal year ended March 31, 2012

(Yen in millions)

	Year ended March 31, 2012
Operating income:	
Dividends received from subsidiaries and affiliates	77,872
Fees received from subsidiaries and affiliates	6,083
Total operating income	83,955
Operating expenses:	
Operating and general administrative expenses	6,256
Total operating expenses	6,256
Operating profit	77,699
Non-operating income:	
Interest income	1
Interest on securities	12
Gains on lapsed dividend payment obligation	33
Other non-operating income	0
Total non-operating income	48
Non-operating expenses:	
Miscellaneous expenses	0
Total non-operating expenses	0
Ordinary profit	77,747
Extraordinary losses:	
Losses on sales of fixed assets	0
Losses on disposal of fixed assets	143
Impairment losses on investment of subsidiaries and affiliates	15,015
Total extraordinary losses	15,158
Income before income taxes	62,588
Income taxes-current	3
Refunded corporate income tax	-29
Income taxes-deferred	503
Total income taxes	477
Net income	62,110

Non-consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2012

(Yen in Millions)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury share	Total shareholders' equity
		Additional paid-in capital	Others	Other retained earnings			
				General reserve	Retained earnings carried forward		
Beginning balance as of April 1, 2011	150,000	1,511,485	86,487	732,275	109,525	-109,749	2,480,024
Changes during the year							
Dividends					-38,343		-38,343
Net income					62,110		62,110
Repurchase of treasury shares						-38	-38
Disposition of treasury shares			-30			368	338
Net changes in items other than shareholders' equity							
Total changes during the year	-	-	-30	-	23,767	330	24,067
Ending balance as of March 31, 2012	150,000	1,511,485	86,457	732,275	133,292	-109,418	2,504,091

	Share acquisition rights	Total net assets
Beginning balance as of April 1, 2011	1,426	2,481,451
Changes during the year		
Dividends		-38,343
Net income		62,110
Repurchase of treasury shares		-38
Disposition of treasury shares		338
Net changes in items other than shareholders' equity	171	171
Total changes during the year	171	24,239
Ending balance as of March 31, 2012	1,598	2,505,690

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Valuation of securities

Investments in subsidiaries and affiliates are stated at cost determined by the moving-average method.

2. Depreciation for fixed assets

Depreciation of tangible fixed assets other than buildings (excluding auxiliary facilities attached to buildings) is computed using the declining-balance method principally over the following useful lives. Depreciation of buildings (excluding auxiliary facilities attached to buildings) is computed using the straight-line method.

Auxiliary facilities attached to buildings	8 to 18 years
Equipment and furniture	3 to 15 years

3. Reserve

(1) To provide for payment of bonuses to employees, the Company maintains a reserve for employees' bonuses based on the expected amount to be paid.

(2) To provide for employees' retirement benefit payments, the Company maintains a reserve for employee's retirement benefits equal to the amount deemed to have incurred as of the end of the fiscal year ended March 31, 2012.

4. Consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax-excluded method.

Notes regarding additional information

Application of "Accounting Standard for Accounting Changes and Error Corrections"
The Company has applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and corrections of past errors that were made on or after April 1, 2011.

Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets: 138 million yen

2. Monetary claims against and debts owed to affiliates:

Monetary claims receivables	5,877 million yen

Debts payable 234 million yen

3. Debts payable to directors and corporate auditors:
Long-term debts payable 16 million yen

Notes to the non-consolidated statement of income

Transactions with affiliates:
Operating transactions
Operating income 83,955 million yen
Operating expenses 965 million yen
Transactions other than operating transactions 34 million yen

Notes to the statement of changes in shareholders' equity

Class and number of treasury share held by the Company as of March 31, 2012:
Common share 37,596,309 shares

Tax effect accounting

Major components of deferred tax assets:

Deferred tax assets	
Impairment losses on investment in affiliates	33,641 million yen
Others	443 million yen
Subtotal	34,084 million yen
Valuation allowance	-34,084 million yen
Total deferred tax assets	- million yen
Net deferred tax assets	- million yen

Notes on transactions with related parties

(Yen in millions)

Category	Company name	Percentage of voting rights held	Relationship	Transaction description	Transaction amount	Item	Balance at end of fiscal year
Subsidiary	Tokio Marine & Nichido Financial Life	100% held directly	Overlapping management, etc.	Participation in a rights offering	40,000	-	-

Terms and conditions and corresponding decision-making policies for these transactions:

The Company purchased shares offered by Tokio Marine & Nichido Financial Life at 100,000 yen per share.

Per-share information

Net assets per share	3,265.09 yen
Net income per share	80.98 yen

Copy of Independent Auditor’s Report on Consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 16, 2012

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Chikakuni Yoshida, CPA
Designated Partner and Engagement Partner
Takashi Sasaki, CPA
Designated Partner and Engagement Partner
Takaaki Ino, CPA
Designated Partner and Engagement Partner

We have audited, in accordance with Article 444, paragraph 4 of the Companies Act of Japan, the consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for the fiscal year that began on April 1, 2011 and ended on March 31, 2012. These financial statements consist of a consolidated balance sheet, a consolidated statement of income, a consolidated statement of changes in shareholders' equity and notes to consolidated financial statements.

Management's responsibility for the financial statements:
It is the Management’s responsibility to prepare consolidated financial statements based on accounting principles generally accepted in Japan and to present these statements appropriately. This includes establishing and implementing internal control systems that Management deems necessary to prepare and present the consolidated financial statements without material misstatement resulting from fraud or error.

Auditor's responsibility:
It is our responsibility to express an opinion on the consolidated financial statements based on our audit as an independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that, in order to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, we formulate an audit plan and conduct an audit in accordance therewith.

An audit includes procedures to obtain audit evidence in relation to the amounts and disclosures in the consolidated financial statements. We select and apply audit procedures based on our judgment and in accordance with a risk evaluation for material misstatement in the consolidated financial statements resulting from fraud or error. Although the purpose of our audit is not to express an opinion on the effectiveness of internal control systems, when conducting the risk evaluation to determine the proper audit procedures we do review the internal control systems for the preparation and appropriate presentation of the consolidated financial statements. An audit includes assessing the accounting principles used by management, including how they are applied, and the estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a sufficient and appropriate basis for our opinion.

Audit opinion:
In our opinion, the foregoing consolidated financial statements present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period covered by the aforementioned financial statements in conformity with accounting principles generally accepted in Japan.

Conflict of interest:
Our firm and engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of Independent Auditor's Report on Non-consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 16, 2012

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Chikakuni Yoshida, CPA
Designated Partner and Engagement Partner
Takashi Sasaki, CPA
Designated Partner and Engagement Partner
Takaaki Ino, CPA
Designated Partner and Engagement Partner

We have audited, in accordance with Article 436, paragraph 2, item 1 of the Companies Act of Japan, the non-consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for its 10th fiscal year that began on April 1, 2011 and ended on March 31, 2012. These financial statements consist of a non-consolidated balance sheet, a non-consolidated statement of income, a non-consolidated statement of changes in shareholders' equity, notes to non-consolidated financial statements and supplementary schedules.

Management's responsibility for the financial statements:
It is the Management's responsibility to prepare non-consolidated financial statements and supplementary schedules based on accounting principles generally accepted in Japan and to present these statements appropriately. This includes establishing and implementing internal control systems that Management deems necessary to prepare and present the non-consolidated financial statements and supplementary schedules without material misstatement resulting from fraud or error.

Auditor's responsibility:
It is our responsibility to express an opinion on the non-consolidated financial statements and supplementary schedules based on our audit as an independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that, in order to obtain reasonable assurance about whether the non-consolidated financial statements and supplementary schedules are free of material misstatement, we formulate an audit plan and conduct an audit in accordance therewith.

An audit includes procedures to obtain audit evidence in relation to the amounts and disclosures in the non-consolidated financial statements and supplementary schedules. We select and apply audit procedures based on our judgment and in accordance with a risk evaluation for material misstatement in the non-consolidated financial statements and supplementary schedules resulting from fraud or error. Although the purpose of our audit is not to express an opinion on the effectiveness of internal control systems, when conducting the risk evaluation to determine the proper audit procedures we do review the internal control systems for the preparation and appropriate presentation of the non-consolidated financial statements and supplementary schedules. An audit includes assessing the accounting principles used by management, including how they are applied, and the estimates made by management, as well as examining the overall presentation of the non-consolidated financial statements and supplementary schedules. We believe that our audit provides a sufficient and appropriate basis for our opinion.

Audit opinion:
In our opinion, the foregoing non-consolidated financial statements and supplementary schedules present fairly, in all material respects, the financial position and the results of operations of the Company for the period covered by the aforementioned financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan.

Conflict of interest:
Our firm and engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of the Audit Report of the Board of Corporate Auditors

Audit Report

Based on the audit reports received from each corporate auditor relating to the performance by the Company's directors of their duties during the fiscal year that began on April 1, 2011 and ended on March 31, 2012 and after consultations amongst our members, we, the undersigned Board of Corporate Auditors, report as follows:

1. Details of the Methodology of the Audit Performed by Corporate Auditors

The Board of Corporate Auditors who has set the auditing policies, the auditing schedules and related matters, received from each corporate auditor audit reports detailing the performance of each corporate auditor in audits and the results thereof. The Board of Corporate Auditors also received from each of the Company's directors and the Company's independent auditor reports detailing the performance of their duties and asked for further explanation whenever necessary.

Each corporate auditor, pursuant to the auditing standards, the auditing policies and the auditing schedules set by the Board of Corporate Auditors, maintained good communications with directors, the internal audit department and other employees; committed themselves to gathering information and improving the circumstances of the audit; attended meetings of the Board of Directors and other important meetings; received reports detailing the performance of their duties including responses to the Great East Japan Earthquake from directors and other employees; asked for further explanations whenever necessary and inspected important decision-making documents and thereby investigated the Company's business activities and financial position.

In addition, pursuant to the auditing standards set by the Board of Corporate Auditors for an audit of the internal control system, each corporate auditor examined the details of the resolution of the meeting of the Board of Directors concerning (a) a governance framework to ensure that the directors' performance of their duties are carried out in conformity with the laws and the Articles of Incorporation; and (b) any other governance framework to ensure appropriate business operations, as set forth in Article 100, paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act of Japan. Each of the corporate auditors also monitored and examined the governance framework (internal control system) which was implemented by the Board of Directors based on the aforementioned resolution. Concerning the internal control over financial reporting, each corporate auditor received from directors and PricewaterhouseCoopers Aarata reports regarding the results of the assessment and audit on the internal control over financial reporting and asked for further explanations whenever necessary.

As for subsidiaries of the Company, each corporate auditor maintained good communications and facilitated information sharing with directors, corporate auditors, the internal audit department and other employees of the subsidiaries and received reports regarding the business activities of the subsidiaries whenever necessary.

We examined the business report included in this notice of convocation as well as the supplementary schedules thereto for the fiscal year ended March 31, 2012 based on the aforesaid methods of audit.

Furthermore, each corporate auditor monitored and examined whether the Company's independent auditor maintained independence from the Company and performed the audit adequately, received from the Company's independent auditor a report concerning the performance of that auditor's duties and asked for further explanations whenever necessary.

Additionally, each corporate auditor received a notice from the Company's independent auditor stating that "a framework to ensure that independent auditors' performance of duties are carried out properly" (consisting of matters enumerated in the items of Article 131 of the Regulations for Financial Statements of Corporations) is established pursuant to "Quality Management Standards Regarding Audits" (Corporate Accounting Council, October 28, 2005) and addressing other standards concerned, and asked for further explanations whenever necessary.

Based on the methodology of the audit described above, we examined the non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) and the supplementary schedules thereto, and the consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) for the fiscal year ended March 31, 2012.

2. Results of Audit

(1) Results of the audit of the business report and others

(a) We found the business report and the supplementary schedules to present fairly the state of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.

(b) In connection with the performance by directors of their duties, we found no dishonest act or violation of applicable laws, regulations or the Articles of Incorporation of the Company.

(c) We found the resolution of the meeting of the Board of Directors with respect to the internal control system to be appropriate. In addition, we have nothing to report on the directors' performance of their duties in connection with the internal control system, including the internal control over the financial reporting.

(2) Results of the audit of the non-consolidated financial statements and the supplementary schedules thereto

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata, to be appropriate.

(3) Results of the audit of the consolidated financial statement

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata, to be appropriate.

May 17, 2012

Board of Corporate Auditors,
Tokio Marine Holdings, Inc.

Toshiro Yagi, Standing Corporate Auditor
Toshiki Ohashi, Standing Corporate Auditor
Hiroshi Fukuda, Corporate Auditor
Yuko Kawamoto, Corporate Auditor
Akinari Horii, Corporate Auditor

Note: Mr. Hiroshi Fukuda, Ms. Yuko Kawamoto and Mr. Akinari Horii are the outside corporate auditors, fulfilling the position prescribed by Article 2, item 16 of the Companies Act of Japan.